



20th Annual Report 2011-2012

FRESHTROP FRUITS LIMITED



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FRESHTROP FRUITS LIMITED

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Important Communication to Members

Important Communication to Members The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of Notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holding with the Depository through their concerned Depository Participants.

As a measure of economy, copies of the Annual Report will not be distributed at the Annual General Meeting. Shareholders are requested to kindly bring their copies to the meeting.

**ANNUAL REPORT
2011 - 2012****BOARD OF DIRECTORS**

Mr. Ashok V. Motiani
Mrs. Nanita A. Motiani
Mr. Ramchandra G. Joshi
Mr. Mayur J. Shah
Mr. Dinesh S.Oza

Chairman & Managing Director
Executive Director
Non –Executive/Independent Director
Non –Executive/Independent Director
Non-Executive/ Independent Director

AUDITORS

M/S. Mayank Shah & Associates
Chartered Accountants,
706/708A, Mahakant, Opp. V. S. Hospital,
Ellisbridge, Ahmedabad - 380 006.

COMPANY SECRETARY

Mr. Jignesh J. Gandhi

BANKERS

Axis Bank Limited
The Royal Bank of Scotland N.V.
(Formerly know as ABN Amro Bank B.V.)

REGISTERED OFFICE

A-603, Shapath IV,
Opp. Karnavati Club,
S.G. Road, Ahmedabad - 380 015.

PLANT - I

Gat No. 171, Village Jaulke,
Bombay Agra Road,
Tal. : Dindori,
Dist.:Nasik-422 207
Maharashtra, INDIA.

PLANT - II

Survey No. 1366, Savlej-Wayfale Road,
Post Siddhewadi,
Tal. :Tasgaon, Dist.:Sangli-416311,
Maharashtra, INDIA.

PLANT - III

Gat No. 2425/26/30/31
Malharpet-Pandharpur Road,
TaL. :Khatav,
Dist.:Satara-415312,
Maharashtra, INDIA.

PLANT - IV

Gat No. 598/1
Village Janori.
TaL. : Dindori,
Dist.:Nasik-422 206,
Maharashtra, INDIA.

NOTICE

NOTICE is hereby given that 20th Annual General Meeting of the Members of Freshtrop Fruits Limited will be held on Wednesday, 12th September, 2012 at 11.00 a.m. at Karnavati Club, S. G. Road, Ahmedabad – 380015 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March 2012 and Statement of Profit and Loss for the period ended on that date together with the Director's Report and Auditor's Report thereon.
2. To appoint a Director in place of Mr. Ramchandra Joshi, who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint M/s Mayank Shah & Associates, Chartered Accountants, Ahmedabad (Firm Registration Number – 106109W), as Auditors of the Company, to hold office from the conclusion of this meeting until the conclusion of the next Annual General Meeting of the Company at such remuneration as may be approved by the Board of Directors of the Company. In this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an ordinary Resolution:

“RESOLVED THAT M/s Mayank Shah & Associates, Chartered Accountants, Ahmedabad (Firm Registration Number – 106109W) be and is hereby appointed as Auditor of the Company, to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the Company on such remuneration as shall be fixed by the Board of Directors.”

SPECIAL BUSINESS:

1. **To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:**

“RESOLVED THAT pursuant to provision of Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including statutory modification(s), amendments or re-enactment(s) thereof for the time being in force) and in accordance with the provisions of the Memorandum and Articles of Association of the Company, the Listing Agreement entered into between the Company and the concerned Stock Exchanges, SEBI (Issue of Capital and Disclosure Requirement), Regulation 2009 issued by Securities and Exchange Board of India ('SEBI') and subject to such approvals, consents, permissions and sanctions as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, permission and sanctions, which may be agreed to by the Board of Directors of the Company, consent of the Company be and is hereby accorded to the Board of Directors of the Company (herein after referred to as the “Board” which term shall be deemed to include any committee duly constituted by the Board of Directors or any Committee which the Board of Directors may hereafter constitute, to exercise one or more of its powers including the powers conferred by this resolution) to issue, offer and allot upto 11,00,000 (Eleven Lacs) warrants on preferential basis, convertible into 11,00,000 Equity Shares of ₹ 10/- each at a price of ₹ 14/- per share (₹ 10/- face value + ₹4/- premium) being the price which is in accordance with the SEBI (Issue of Capital and Disclosure Requirement) Regulation, 2009 to the following person(s) / entity(s). ”

Sr. No.	Name of the proposed Allottees	Maximum no. of equity warrants to be allotted	Category
1.	Mr. Ashok V. Motiani	5,00,000	Promoter
2.	Mrs. Nanita A. Motiani	2,00,000	Promoter
3.	Ms. Dipti A. Motiani	2,00,000	Promoter
4.	Mr. Mayank R. Tandon	1,00,000	Promoter
5.	Mrs. Priyanka M. Tandon	1,00,000	Promoter
	Total	11,00,000	

“RESOLVED FURTHER THAT the ‘relevant date’ within the meaning of Regulation 71 of the SEBI (Issue of Capital and Disclosure Requirement) Regulation, 2009 for the purpose of determination of applicable price for Equity Shares converted from the aforesaid warrants is 13th August, 2012.”

"RESOLVED FURTHER THAT each of the aforesaid warrants be converted at the option of the warrant holders in one or more tranches, at any time within 18 months from the date of their allotment, into one fully paid-up Equity Share of ₹10/- each at a price of ₹ 14/- (₹ 10/- face value + ₹4/- premium) determined in accordance with the prevailing SEBI (Issue of Capital and Disclosure Requirement) Regulation, 2009 of the conversion price of ₹ 14/- per share as aforesaid, an amount equivalent to ₹ 3.50 per warrant as per SEBI (Issue of Capital and Disclosure Requirement) Regulation, 2009, will be received on the date of allotment of said warrants."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot subject to the Memorandum and Articles of Association of the Company such number of warrants convertible into equal number of Equity Shares as may be required to be issued and allotted in accordance with the terms of the offer and all such Equity Shares allotted upon conversion shall rank *pari passu* with the existing equity shares of the company in all respects."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised on behalf of the Company to take all actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable, incidental or expedient to the issue or allotment of aforesaid Warrants and listing of the Equity Shares on conversion with the stock exchange as appropriate and to resolve and settle all questions and difficulties that may arise in relation to the proposed issue, offer and allotment of any of the said Warrants, the utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board in its absolute discretion may deem fit, without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

"RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers conferred by this resolution on it, to any committee of Directors, any other Director(s) or officer(s) of the Company to give effect to the aforesaid resolution."

2. To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Dinesh Oza who was appointed as an Additional Independent Director by the Board of Directors under Section 260 of the Companies Act, 1956 and Article 114(1) of the Articles of Association of the Company and who holds office upto the date of this Annual General Meeting be and is hereby appointed as a Director of the Company retiring by rotation."

13th August, 2012

Registered Office
A-603, Shapath IV,
Opp. Karnavati Club, S G Road,
Ahmedabad – 380 015

By order of the Board
For Freshtrop Fruits Ltd

Ashok V Motiani
Chairman & Managing Director

Notes:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF / HERSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY.

THE INSTRUMENT APPOINTING PROXIES SHOULD HOWEVER BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

CORPORATE MEMBERS INTENDING TO SEND THEIR AUTHORIZED REPRESENTATIVES ARE REQUESTED TO SEND A DULY CERTIFIED COPY OF THE BOARD RESOLUTION AUTHORIZING THEIR REPRESENTATIVES TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING.

2. An Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956, relating to the Special Business is annexed hereto.

3. The Register of Members and Share Transfer Books of the Company shall remain closed from 6th September, 2012 to 12th September, 2012 (both days inclusive).
4. In terms of the provisions of Section 205A of the Companies Act, 1956, the amount of dividend not encashed or claimed and is required to be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government within 7 (seven) years from the dates of its transfer is given in the table below:

Financial Year	Date of Declaration of Dividend	Last date for claiming unpaid Dividend	Due date for transfer to IEPF
2004-05	27.09.2005	02.11.2012	02.12.2012
2005-06	29.09.2006	04.11.2013	04.12.2013
2006-07	28.10.2007	03.12.2014	02.01.2015

Members who have so far not encashed the Dividend Warrants for the above years are advised to submit their claim to the Company's Registrar and Transfer Agents at their address immediately, quoting their folio number/DP ID and Client ID. In terms of the provisions of Section 205C of the Companies Act, 1956, no claim shall lie against the Company or the IEPF after the said transfer.

5. Any query relating to Accounts must be sent to the Company's registered office at A-603, Shapath IV, Opp. Karnavati Club, S.G. Road, Ahmedabad – 380 015 at least 10 days before the date of the meeting.
6. Additional details in terms of Clause 49 of Listing Agreement in respect of Directors being re-appointed are given in the Corporate Governance Report.

13th August, 2012

Registered Office
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Ahmedabad – 380 015

By order of the Board
For Freshrop Fruits Ltd

Ashok V Motiani
Chairman & Managing Director

EXPLANATORY STATEMENT

[Pursuant to Section 173(2) of the Companies Act, 1956]

Item No.1

The food processing business requires further capital expenditure towards purchase of balancing equipments and setting up of ripening chambers to enhance capacities and improve yield. The current liabilities of the company continue to remain high and the company needs induction of long term funds to strengthen its financial position. The promoters strongly believe in the future prospects of the company and would like to increase their commitment to this business. In view of this it is proposed to issue 11,00,000 warrants to the Person(s)/Entity mentioned above (each warrant carrying a right to apply for one equity share at a price of ₹14/- of the company in exchange of each of the said warrant).

The disclosures in terms of Chapter VII of SEBI (Issue of Capital and Disclosure Requirement), Regulation 2009, is given as under:

a) Objects of the issue:

To augment long term resources.

b) Intention of Promoter to subscribe to the offer:

Following Promoters intend to subscribe the proposed preferential allotment of Warrants convertible into equity shares within 18 months from the date of allotment of such warrants.

Sr. No.	Name of the proposed Allottees	Maximum no. of equity warrants to be allotted	Category
1.	Mr. Ashok V. Motiani	5,00,000	Promoter
2.	Mrs. Nanita A. Motiani	2,00,000	Promoter
3.	Ms. Dipti A. Motiani	2,00,000	Promoter
4.	Mr. Mayank R. Tandon	1,00,000	Promoter
5.	Mrs. Priyanka M. Tandon	1,00,000	Promoter
	Total	11,00,000	

c) Shareholding Pattern before and after the Preferential Allotment

The Shareholding pattern of the company before and after the preferential issue is given below:

Sr. No.	Category	Before Preferential Issue		After preferential issue of Shares (After conversion of Equity warrants into shares)	
		No. of Shares	% of Share Holding	No. of Shares	% of Share Holding
A.	PROMOTERS HOLDING				
1.	Indian Promoters Holding	54,82,181	49.64	65,82,181	54.20
	Sub Total (A)	54,82,181	49.64	65,82,181	54.20
B.	NON PROMOTERS HOLDING				
1.	Institution Investors				
a.	FII's	–	–	–	–
C.	OTHERS				
1.	Private Corporate Bodies	6,14,138	5.56	6,14,138	5.06
2.	Indian Public	44,90,447	40.65	44,90,447	36.97
3.	Clearing Member	301	–	301	–
4.	Non Resident Indians (REPAT)	4,57,933	4.15	4,57,933	3.77
	Total (A+B+C)	1,10,45,000	100.00	1,21,45,000	100.00

Note: Assuming full allotment up to approved amounts and assuming that options attached to the 11,00,000 warrants issued to the Persons/ Entity(s) mentioned above will be exercised in full, thereby increasing the paid up capital of the company by 11,00,000 equity shares. Company would at the time of allotment of equity shares further comply with the provisions of the SEBI guidelines/ regulations to the extent required at the time of such allotment.

d) Proposed time within which allotment will be completed:

As required under the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009 the Company shall complete the allotment(s) of Warrants as aforesaid on or before the expiry of 15 days from the date of passing of this resolution by the shareholders granting consent for preferential issue or any approval or permission by any regulatory authority or the Central Government for allotment is pending, the period of fifteen days shall be counted from the date of order on such application or the date of approval or permission, as the case may be:

The allotment of 11,00,000 warrants as proposed under special resolution of the notice will be completed within 15 days period from the passing of the said resolution at this meeting, or such other time as may be prescribed under the SEBI's Guidelines on Preferential Issues.

e) Identity of allottees with percentage of expanded capital to be held by them:

The proposed allottees for 11, 00,000 Equity Shares as a result of exercise of options attached to the warrants issued pursuant to special resolution at Item No. 1 of the notice and the percentage of expanded capital to be held by them after the proposed allotment of the said equity shares to them as per the said resolution are as under:

Sr. No.	Name of the Proposed Allottees	Category	Before Preferential Issue		After preferential issue of Shares (After conversion of Equity warrants into shares)	
			No. of Shares held	% of Shares Holding	No. of Shares to be held	% of Shares holding
1.	Mr. Ashok V. Motiani	Promoter	9,29,648	8.42	14,29,648	11.77
2.	Mrs. Nanita A. Motiani	Promoter	6,72,246	6.09	8,72,246	7.18
3.	Ms. Dipti A. Motiani	Promoter	5,69,712	5.16	7,69,712	6.34
4.	Mr. Mayank R. Tandon	Promoter	3,46,480	3.14	4,46,480	3.68
5.	Mrs. Priyanka Tandon	Promoter	5,29,082	4.79	6,29,082	5.18
			30,47,168	27.59	41,47,168	34.15

Section 81(1A) of the Companies Act, 1956 provides inter alia, that when it is proposed to increase the issued capital of a company by allotment of further shares/warrants etc., such further shares/warrants shall be offered to the existing shareholders of the company in the manner laid down in section 81 unless the shareholders in general meeting decide otherwise by passing a special resolution.

Hence consent of shareholders by way of special resolution is being sought pursuant to the provisions of section 81 (1A) and all other applicable provisions of the Companies Act, 1956 and in terms of the provisions of the SEBI (Issue of Capital and Disclosure Requirement) Regulations, 2009 Guidelines and the listing agreements executed by the Company with the Stock Exchange where the Company's shares are listed.

f) Change in Management

The proposed preferential allotment of convertible warrants will not result in any change in the management and control of the Company. Voting right shall change according to the change in shareholding pattern mentioned above.

g) Pricing:

The issue of warrants convertible into equity shares on preferential basis shall be at a price of ₹ 14/- per share (₹ 10/- face value + ₹ 4.00/- premium). The price is determined in compliance with SEBI Guidelines for Preferential Issues.

h) Payment and Conversion terms:

25 % of the value of the warrant i.e. ₹ 3.50/- per warrant to be paid on the date of allotment of warrants. The balance is payable at the time of conversion. Warrant will be at the option of the allottees, into one equity share of ₹ 10/- each at a price of ₹ 14/- per share (₹10/- face value + ₹4.00/- premium) at any time within 18 months from the date of allotment. In case the option is not exercised within a period of 18 months from the date of allotment, the aforesaid 25% amount paid on the date of allotment shall be forfeited.

i) Relevant date:

Relevant date for this purpose is 13th August, 2012 i.e. 30 days prior to the date of the meeting of the Members of Company i.e. 12th September, 2012.

j) Auditor Certificate

The certificate of the Statutory Auditors required as per Regulation 73(2) to the effect that the issue of equity shares on preferential basis is in accordance with SEBI (Issue of capital and Disclosure Requirement), Regulation 2009, shall be placed before the members at the ensuing Annual General Meeting and will be available for inspection thereat along with a copy of the Memorandum and Articles of Association of the Company.

k) Lock in

The equity shares allotted pursuant to exercise of options attached to warrants issued on preferential basis shall be locked-in for a period of three years from the date of allotment of equity shares pursuant to exercise of the option attached to warrants.

The fully convertible warrants to be allotted to Mr. Ashok V. Motiani, Mrs. Nanita A. Motiani, Ms. Dipti A. Motiani, Mr. Mayank R. Tandon and Mrs. Priyanka Tandon promoters on preferential basis shall be locked in for a period of three years from date of allotment as per the Regulations issued by the Securities and Exchange Board of India.

None of the Directors of the Company is in any way concerned or interested in the above referred resolution except Mr. Ashok V Motiani and Mrs. Nanita A Motiani, Directors of the company being associated with the Promoter and/or Promoter Group.

The Board of Directors recommended the resolution for the approval of the Shareholders.

Item No. 2

Mr. Dinesh Oza was appointed as an Additional Independent Director of the Company w.e.f. 14th November, 2011. In terms of Section 260 of the Companies Act, 1956, he holds office as a Director upto the ensuing Annual General Meeting. As required under Section 257 of the Act, the Company has received a notice from the member of the Company signifying his intention to propose his appointment as a Director of the Company. Looking to his professional experience, it would be in best interest of the Company to appoint him as Director of the Company liable to retire by rotation. His valuable guidance and services will benefit immensely in the growth of Freshtrop Fruits Limited.

The Board of Directors of the Company recommends the said resolution for your approval.

None of the Directors except Mr. Dineshbhai Oza is interested in the said resolution.

13th August, 2012

Registered Office
A-603, Shapath IV,
Opp. Karnavati Club, S G Road,
Ahmedabad – 380 015

By order of the Board
For Freshtrop Fruits Ltd

Ashok V Motiani
Chairman & Managing Director

Information on directors seeking appointment/re-appointment at the forthcoming annual general meeting (pursuant to clause 49 of the listing agreement) as on the date of notice

Name of the Directors	Mr. Ramchandra Joshi	Mr. Dinesh Oza
Date of Birth	01.09.1946	04.07.1953
Qualifications	B.Com L.L.B	BSC(Tech), Foods Technology from Bombay University
Shareholding in Freshtrop Fruits Limited	4,000	Nil
Directorship held in other public limited companies in India	Nil	Nil
Membership / Chairmanship of committees in public limited companies in India	Nil	Nil